



Ushus JBMgt **14**, 4 (2015), 33-45
ISSN 0975-3311 | doi: 10.12725/ujbm.33.3

Impact of Management Education on Skill Development: A Study of Alumni of Management Institutes in Kerala State

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Abstract

Management education in India gained demand with the opening of the economy in 1991. Many institutes and colleges have come up since then to offer Post Graduate courses like Master of Business Administration (MBA) and Post Graduate Diploma in Management (PGDM) to the students.

There is a widely prevalent perception among all stakeholders that the quality of management education has been suffering, with only about 10% of the B-School graduates employable, which in turn has been attributed to the lack of employability skills among the B-school graduates.

The study identified the key dimensions of employability skills perceived to be beneficial through a survey of alumni from the Kerala based management institutes.

The set of higher education skills expected of management graduates, as per the Framework for Higher Education Qualification (FHEQ) in UK was combined with employability skills propounded by other researchers and assessed with 28 qualification descriptors under six dimensions for employability skills.

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Of the six dimensions of employability skills, the confirmatory factor analysis revealed that 30.5% variance in employability skills were explained by the Basic skills, 13% by the Knowledge/higher level understanding and over 9 % by the personal and interpersonal skills. Other factors - Managerial qualities, Analytical skills and Entrepreneurial skills - explained 4 to 6 % of the variances each. Together the above six factors explained for 67.8 % of the variance, which is quite significant.

Keywords: Qualification descriptor, Employability skills, Framework for Higher Education (FHEQ), Accreditation, Quality Accreditation Agency (QAA)

Introduction

Management education in India gained demand with the opening of the economy in 1991. Many institutes and colleges have come up since then to offer Post Graduate courses like Master of Business Administration (MBA) and Post Graduate Diploma in Management (PGDM) to the students. Presently, apart from 13 IIM's, there are about 3500 B-Schools in the country offering different management courses to over 5,00,000 students (ASSOCHAM,2013). There are 86 full time management institutes in Kerala with student admission capacity of over 8000 annually. Of these, 77 colleges which offer MBA are affiliated to one of the four universities viz. Kerala, Mahatma Gandhi, Calicut and Kannur Universities approved by UGC. Nine other autonomous institutes offer PGDM programmes, which have been approved by the All India Council for Technical Education (AICTE), New Delhi.

While the MBA courses follow the guidelines of the respective affiliated universities, institutions offering the PGDM courses have the flexibility to decide their own curriculum and course content in tune with industry requirements and their strategic goals.

In addition to regular full time courses, there are a few part time as well as online distance education courses offered by various Institutes/Universities for students in Kerala. However, the scope of this research has been restricted to only regular fulltime courses conducted by institutes approved by either the Universities in Kerala or AICTE.

Objectives of Management Education

As defined by Quality Assurance Agency(QAA),the independent body entrusted with monitoring and advising on standards and quality in higher education in United Kingdom,"The overall objective of master's level business and management degrees is to educate individuals as managers and business specialists, and thus to improve the quality of management".

There is a widely prevalent perception among all stake holders that the quality of management education has been suffering, with the proliferation of institutes across India(Abraham, 2013). As per the research report of ASSOCHAM only 10% of the B-School graduates are employable.This has been attributed to the lack of employability skillsamong the B- school graduates (Kasetwar, R. B, 2013, ASSOCHAM, 2013).

The literature review reveals that there are a host of issues – structural, strategic and systemic -that leads to lack of employable skills among the management graduates.The variables like the lack of adequate infrastructure, support services, academic processes as well as proper policy frame work and lack of proper academic benchmark standards are some of the reasons cited as contributing to the lack of employable skills among the graduates (Kasetwar, 2013, Abraham,2013).

Objectives of the study:

The major aims ofthis study, undertaken as part of the doctoral research work of the authors, have been:

1. To explore the prevailing practices in management education and understand the expectations onemployability skills imparted through management education;
2. To identify thekey dimensionsof employability skills imparted through management education as perceived by the B-school graduatesfrom theKerala basedmanagement institutes.

Research Methodology

The study was carried through a two stage process:

1) In the first stage a qualitative research study was undertaken with a view to make an investigation of the field of higher education, more specifically the management education, both in the Indian and global context. This was sought to be achieved through a review of the literature on the status of higher education, drawing in the views of experts directly as well as through their publications and critically dissecting the dimensions of skill development in the sphere of management education. This part of the study was intended to bring forth various suggestions and possibilities for improving the skills imparted through management education. Extensive review of literature revealed the following:

a) Skill development has been a matter of great concern in UK, Australia and other European countries as well. The QAA have identified the set of higher education skills expected to be realized within the ambit of the Framework for Higher Education Qualification (FHEQ) in UK. It was thought appropriate that the model skills in the FHEQ, adapted for the Indian conditions, could be the starting point for this study on the impact of skill development through management education.

b) Various research scholars abroad have also done extensive studies and published articles on the employability aspect in higher education in UK. Mantz Yorke and Peter Knight (2003) in their article on 'Embedding employability into the curriculum' have identified certain skills-basic (core), analytical (process) and personal and interpersonal -to be embedded in the curriculum to develop the employability among the graduates. The same has also been incorporated for assessment in this research study.

2) In the second stage, a descriptive research was carried out to make an assessment of the impact of management education on skill development through a perceptual survey of Alumni using

astructured questionnaire encompassing the skills as shown in table 1 below.

Table 1: List of Skills

Sl. No	Skill Name : with details	Abbreviation
1.	Listening: focused attention in which key points are recognized.	bs1
2.	Written communication: clear reports, letters etc., written specifically for the reader.	bs2
3.	Oral presentations: clear and confident presentation of information to a group.	bs3
4.	Ethical sensitivity: appreciates ethical aspects of employment and acts accordingly.	bs4
5.	Commercial awareness: operating with an understanding of business issues and priorities.	bs5
6.	Self-confidence: confidence in dealing with the challenges that employment and life throw up.	bs6
7.	Self-management: ability to work in an efficient and structured manner.	bs7
8.	Self-awareness: awareness of own strengths and weaknesses, aims and values.	bs8
9.	Emotional intelligence: sensitivity to others' emotions and the effects that they can have.	bs9
10.	Malleable self-theory: belief that attributes [e.g. intelligence] are not fixed and can be developed.	pis1
11.	Resolving conflict: both intra personally and in relationship with others.	pis2
12.	Team work: can work constructively with others on a common task.	pis3
13.	Stress tolerance: ability to retain effectiveness under pressure.	pis4
14.	Influencing: convincing others of the validity of one's point of view.	as1
15.	Ability to work cross culturally: both within and beyond the country.	as2

16.	Computer literacy: ability to use a range of software.	as3
17.	Systematic understanding of knowledge about organisations, their external context and how they are managed.	hes1
18.	Critical awareness of current issues in business and management informed by latest research and field practices.	hes2
19.	Comprehensive understanding of techniques applicable to the investigation into the relevant business and management issues.	hes3
20.	Originality in the application of knowledge.	hes4
21.	Critical evaluation of current research and advanced scholarship in the discipline and propose hypothesis when necessary.	hes5
22.	Conduct research into business and management issues that require familiarity with a range of business data, research sources and appropriate methodologies.	mq1
23.	Communicate the conclusions/decisions clearly to specialist and non-specialist audiences.	mq3
24.	Exercise initiative and take personal responsibility in professional work.	mq4
25.	Demonstrate self-direction and act autonomously in handling situations.	es1
26.	Make decisions in complex and unpredictable situations.	es2
27.	Learn independently for continuing professional development and advance knowledge, understanding and skills to a higher level.	es3
Factor list: bs- basic skills, pis- personal & interpersonal skills, as- analytical skills, hes- higher skills (knowledge/ understanding), mq- managerial qualities, es- entrepreneurial skills.		

The Sampling Design

The sampling frame consisted of the alumni of the management institutes, in Kerala, which have a standing of at least 5 years in the state -which means that at least three batches of students would have graduated from the institute. The theoretically arrived sample size was 381, considering an Alumni population of 32000 (i.e., 6400 seats* 5 batches) with a confidence level of 95% with 5% margin of error, against which 385 valid random samples were collected and analysed.

Analysis: Methods and Tools

The study was used to understand the impact of management education on skill development in terms of the benefits perceived by the Alumni. Data was collected through a validated questionnaire which measured the perception of the variables under study. The generated response sheet was scrutinized to eliminate all possible errors using Microsoft Excel. The responses were analyzed using frequency test for detecting missing values. Standardized scores of the responses were taken to identify outliers and any values with a z-score outside ± 4 was considered as an outlier and eliminated. As, many statistical methods require the normal distribution of the data, normality was checked using skewness and kurtosis for every variable separately. The final data set containing 385 responses were used to test the proposed hypothesis using appropriate statistical tools in SPSS and Structural Equation Modeling.

The hypotheses were tested using Exploratory Factor Analysis (EFA), Confirmatory Factor Analysis (CFA), One-Way Anova and T-Test. The sample was checked for the various assumptions required by the hypotheses testing methods. Durbin-Watson statistic was used to test for independence of observations; Runs test was used to examine the randomness of sample and Levene's test was used to confirm the equal variances of groups used for One-Way Anova and T-Test. For testing sample adequacy, KMO test was used. Bartlett's test of sphericity was used to reject the existence of an identity matrix in terms of inter-correlation between the items tested. The reliability of a reflective construct was checked using

Cronbach's Alpha (α) test. The validity was tested based on the literature review and theoretical foundation of the research.

Result of Data Analysis

Descriptive statistics of the respondents showed that 60.3% of the responses were from male students and rest from the female students. Based on the universities, 48.8% of the responses were from students doing their management studies from Mahatma Gandhi University, 22.9% from Calicut University, 6.2% from Kerala University and the rest 22.1% from the Deemed University. Thus we can say that 79.9% of the respondents have undergone MBA and 22.1% did their PGDM course.

The analysis started with an exploratory factor analysis to identify the dimension structure of the 'Perceived Employability Skill' construct. The Kaiser-Meyer-Olkin measure of Sampling adequacy was 0.895 and Bartlett's test of sphericity was significant ($p < 0.001$) with a chi square value of 0.65 with 378 degrees of freedom confirming the goodness of data for further analysis. The exploratory maximum likelihood factor analysis identified the 6 components with Eigen value greater than 1, together explained over variance of 67.83 percent.

The factor structure developed from EFA has got adequate loading for each factor with minimum chance for cross loading. The 28 items could be classified into 6 factors in alignment with the pre conceptualized pattern. These six factors were Basic skills with 9 items, Personal and interpersonal skills with 4 items, Analytical skills with 3 items, Higher level knowledge/understanding with 5 items, Managerial qualities with 4 items and entrepreneurial skills with 3 items (as given in figure 1)

Exploratory Factor Analysis for Employability Skill

EFA was conducted to verify whether the initial conceptualization of 6 factor structure is perceived in a similar manner by the respondents. A total of 52 items identified from the preliminary study was later on scrutinized on the basis of theoretical grounds

as suggested by experts was shortlisted to 28 items and subjected to EFA analysis.

Table 2: Total Variance Explained

No	Factor component	Rotation sums of squared Loadings		
		Total	% of Variance	Cumulative %
1	Basic skill	5.199	18.588	18.588
2	Higher Education Knowledge/ Understanding	4.244	15.155	33.724
3	Personal & Interpersonal skills	2.802	10.007	43.731
4	Managerial qualities	2.664	9.513	53.243
5	Analytical skills	2.045	7.304	60.548
6	Entrepreneurial skills	2.039	7.284	67.832

Source: Research data

Once the EFA was done to reveal a factor structure, it was confirmed using a confirmatory factor analysis to determine the ability of predefined model to fit an observed set of data. CFA for the employability skill construct required validation of each measurement model from EFA followed by validation of structural model with all factors.

CFA for Employability Skill

The measurement model for basic skill dimension was validated to a better fitting model with recommended indices by eliminating three items ‘bs3’, ‘bs4’ and ‘bs5’ which showed a high level of cross loading. The measurement models for the rest 5 dimensions were showing a good fitting model with recommended indices in the first estimates itself. The structural model for employability skill construct showed that there exist statistically significant relationships among the employability skill and its extracted dimensions with a good fit model with all recommended indices.

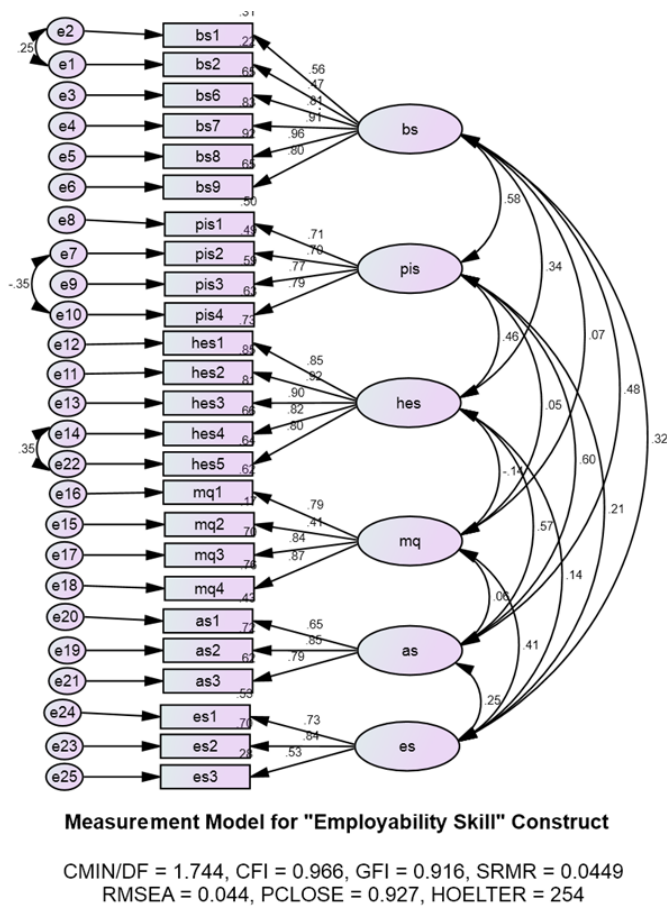


Fig 1: CFA for Employability Skill

Major Findings of the study

The results indicate that there exist a significant relationship between the employability skill and the perceived benefits. Employability skill leads to perceived benefits.67.8 % of the variances in employability skills are explained by the six factors: basic skills, higher education knowledge & conceptual skills, personal and interpersonal skills, managerial qualities, analytical skills and entrepreneurial skills.30.5 % variance in employability skill isexplained by the basic skills like self-awareness,self-management,self-confidence, emotional intelligence, ethical sensitivity and commercial awareness.13% of the variance in

employability skill is attributed to the achievement of higher education skill i.e. Knowledge, understanding and other conceptual skills. Over 9% variance in employability skill is attributed to personal and interpersonal skills like stress tolerance, team work, conflict management and possessing a malleable self-theory. 4 to 6 % variance each are attributed to managerial qualities, analytical skills and entrepreneurial skills

The T-Test carried out to explore the difference in perception of male and female respondents towards the latent variable-employability showed that the two groups have no significant difference in their perception towards the employability skill construct.

The Scope and limitations of the study

Business schools are expected to provide qualified business graduates to the industry and their impact can be assessed holistically by evaluating the inputs, delivery processes as well as the outcome in terms of skills developed. This present study was limited to assessing the impact of regular B-School programmes, on skill development, based on a perception study among the Alumni within the state of Kerala. The study period was limited FY 2014 – 15 and hence the scope of the study is confined within the framework of policy regulations and directives prevailing at that time in the state of Kerala.

Conclusion

The study brought out the various dimensions of skill development and the perceived benefit from the skills imparted through management education as well as the inter relationship among the key skills in improving employability among B-school graduates. The management institutes and other researchers would be benefitted, from the framework adopted for this study, to pursue further studies/research on skill building through management education.

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